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Executive Committee

PREPARATION OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL COCOA AGREEMENT, 1986

Draft of articles 9, 13, 22, 22 bis, 23, 24, and 25 as cleared by the Legal Drafting Committee

Article 9

Sessions of the Council

1. As a general rule, the Council shall hold one regular session in each half of the cocoa year.

2. The Council shall meet in special session whenever it so decides or at the request of:

   (a) Any five members;

   (b) A member or members having at least 200 votes;

   (c) The Executive Committee; or

   (d) The Executive Director, for the purposes of articles [22] and [61].

3. Notice of sessions shall be given at least 30 calendar days in advance, except in case of emergency.

4. Sessions shall be held at the headquarters of the Organization unless the Council, by special vote, decides otherwise. If, on the invitation of any member, the Council meets elsewhere than at the headquarters of the Organization, that member shall pay the additional costs involved.

Article 13

Co-operation with other organizations

1. The Council shall make whatever arrangements are appropriate for consultation or co-operation with the United Nations and its organs, in particular the United Nations Conference on Trade and Development, and with the Food and Agriculture Organization of the United Nations and such other specialized agencies of the United Nations and intergovernmental organizations as may be appropriate.

2. The Council, bearing in mind the particular role of the United Nations Conference on Trade and Development in international commodity trade, shall, as appropriate, keep that organization informed of its activities and programmes of work.

3. The Council may also make whatever arrangements are appropriate for maintaining effective contact with international organizations of cocoa producers, traders and manufacturers.

4. The Council shall seek to involve the international financial agencies and other parties with an interest in the world cocoa economy in its work on cocoa production and consumption policy.

Article 22
Finance

1. There shall be kept an administrative account for the administration of this Agreement. The expenses necessary for the administration of this Agreement shall be brought into the administrative account and shall be met by annual contributions from members assessed in accordance with article [23]. If, however, a member requests special services, the Council may decide to accede to the request and shall require that member to pay for them.

2. The Council may establish a separate account for the purposes of article [43]. This account shall be financed through voluntary contributions from members or other bodies.

3. The financial year of the Organization shall be the same as the cocoa year.

4. The expenses of delegations to the Council, to the Executive Committee and to any of the Committees of the Council or of the Executive Committee shall be met by the members concerned.

5. If the financial position of the Organization is or appears likely to be insufficient to finance the remainder of the cocoa year, the Executive Director shall call a special session of the Council within 20 working days unless the Council is otherwise scheduled to meet within 30 calendar days.

Article 22 bis
Liabilities of members

A member's liability to the Council and to other members is limited to the extent of its obligations regarding contributions specifically provided for in this Agreement. Third parties dealing with the Council shall be deemed to have notice of the provisions of this Agreement regarding the powers of the Council and the obligations of the members, in particular, paragraph 2 of article [7] and the first sentence of this paragraph.

Article 23

Approval of the administrative budget and assessment of contributions

1. During the second half of each financial year, the Council shall approve the administrative budget of the Organization for the following financial year, and shall assess the contribution of each member to that budget.

2. The contribution of each member to the administrative budget for each financial year shall be in the proportion which the number of its votes at the time the administrative budget for that financial year is approved bears to the total votes of all the members. For the purpose of assessing contributions, the votes of each member shall be calculated without regard to the suspension of any member's voting rights and any redistribution of votes resulting therefrom.

3. The initial contribution of any member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by that member and the period remaining in the current financial year, but the assessment made upon other members for the current financial year shall not be altered.

4. If this Agreement enters into force before the beginning of the first full financial year, the Council shall, at its first session, approve an administrative budget covering the period up to the commencement of the first full financial year.

Article 24

Payment of contributions to the administrative budget

1. Contributions to the administrative budget for each financial year shall be payable in freely convertible currencies, shall be exempt from foreign exchange restrictions and shall become due on the first day of that financial year. Contributions of members in respect of the financial year in which they join the Organization shall be due on the date on which they become members.

2. Contributions to the administrative budget approved under paragraph [4] of article [23] shall be payable within three months of the date of assessment.

3. If, at the end of five months after the beginning of the financial year or, in the case of a new member, three months after the Council has assessed its contribution, a member has not paid its full contribution to the administrative budget, the Executive Director shall request that member to make payment as quickly as possible. If, at the expiration of two months after the request of the Executive Director, that member has still not paid its contribution, the voting rights of that member in the Council and the Executive Committee shall be suspended until such time as it has made full payment of the contribution.

4. A member whose voting rights have been suspended under paragraph [3] of this article shall not be deprived of any of its other rights or relieved of any of its obligations under this Agreement unless the Council, by special vote, decides otherwise. It shall remain liable to pay its contribution and to meet any other financial obligations under this Agreement.

5. The Council may consider the question of membership of any member with two years contributions unpaid, and by special vote may decide that this member shall cease to enjoy the rights of membership and/or cease to be assessed for budgetary purposes. It shall remain liable to meet any other of its financial obligations under this Agreement. By payment of the arrears the member will regain the rights of membership. Any payments made by members in arrears will be credited first to those arrears, rather than to current contributions.

Article 25

Audit and publication of accounts

1. As soon as possible, but not later than six months after the close of each financial year, the statement of the Organization's accounts for that financial year and the balance sheet at the close of that financial year under the accounts referred to in article [22] shall be audited. The audit shall be carried out by an independent auditor of recognized standing in cooperation with two qualified auditors from member Governments, one from exporting members and one from importing members, to be elected by the Council for each financial year. The auditors from member Governments shall not be paid by the Organization for their professional services. However, travel and subsistence costs may be reimbursed by the Organization under terms and conditions to be determined by the Council.

2. The terms of appointment of the independent auditor of recognized standing, as well as the intentions and objectives of the audit, shall be laid down in the financial regulations of the Organization. The audited statement of the Organization's accounts and the audited balance sheet shall be presented to the Council at its next regular session for approval.

3. A summary of the audited accounts and balance sheet shall be published.